



United States
Department of
Agriculture

Rural Development



USDA Rural Development

PROGRAM SUMMARY



Housing Programs



Program	Objective	Uses	Applicant*	Eligible Area*	Terms/Conditions
Single Family Housing Direct Home Loan Program (502 Direct Program)	Safe, well-built, affordable homes for rural Americans.	Buy, build, improve, repair or rehabilitate rural home as the applicant's permanent residence.	Families and individuals.	Rural areas with populations of up to 35,000.	Up to 100% of market value or cost, whichever is less. Loan amortized for 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single Family Housing Guaranteed Loan Program (502 Guaranteed Program)	To assist moderate-income applicants(s)/household(s) in buying their homes by guaranteeing loans made by private lenders.	Purchase new or existing home and refinance existing Rural Development guaranteed or direct loans.	USDA Approved Lenders on behalf of their qualified home loan borrowers.	Rural areas with populations of up to 35,000.	30-year, fixed rate. Interest rate is negotiated between lender and borrower. Loans up to 100% of market value plus the amount of the up-front guarantee fee being financed.
Single Family Housing Repair Loans & Grants (504 program)	To help very-low income homeowners remove health and safety hazards or to repair their homes.	Repair, improve, or modernize homes (e.g. repair or replace roof, winterizing, purchase or repair of heating system, structural repair, and water and sewage connect fees, and similar uses).	Families and individuals who currently own their home.	Rural areas with populations of up to 35,000.	Max. grant is \$7,500 and loan is \$20,000. Max. assistance to individual may not exceed \$27,500. Loan terms to 20 years at 1%. Grants only available to very-low-income applicants 62 years and older to remove health and safety hazards.
Mutual Self-Help Housing Technical Assistance Grants (523 program)	Assist lower-income families in building their own homes.	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Public bodies and non-profits..	Rural areas with populations of up to 35,000.	Grant agreement.
Multi-Family Rental Housing Direct Loans (515 program)	Safe, well-built, affordable rental housing for very-low, and low income individuals and families.	New construction or substantial rehabilitation of rental housing.	Individuals, trusts, associations, limited partnerships, for-profit and non-profit entities, Tribes, public bodies.	Rural areas with populations of up to 35,000.	Up to 100%of total development cost (non-profits); 97%(for-profits); 95%(for-profits with Low-Income Housing Tax Credits). 30-year term with up to 50-year amortization.
Multi-Family Rental Housing Loan Guarantees (538 program)	Safe, well-built, affordable rental housing for low to moderate-income individuals and families.	New construction, permanent loan or substantial rehabilitation of multi-family rental housing in qualified rural areas.	For profit and non-profit lenders.	Rural areas with populations of up to 35,000.	At least 25-year term with fixed interest rate. Loan guarantees up to 90%of the principal.
Housing Preservation Grants (533 HPG program)	Repair and rehabilitate housing owned or occupied by very-low and low-income rural families.	Operation of a program which finances repair and rehabilitation activities for single-family and small rental properties.	Public bodies and non-profits that provide assistance to low to moderate income families or individuals.	Rural areas with populations of up to 35,000.	Grant agreement.
Farm Labor Housing Direct Loans & Grants (514 & 516 programs)	Safe, well-built affordable rental housing for farm workers and their families.	New construction or substantial rehabilitation of rental housing for farm workers and their families.	Individuals, public and private non-profit organizations.	No population restriction.	Up to 102% of total development cost. Up to 33 years to repay at 1% interest.



Rural Business & Cooperative Programs

Program	Objective	Uses	Applicant	Eligible Area	Terms/Conditions
Business & Industry Guaranteed Loan Program (B&I)	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Most legal business purposes except production agriculture. Include acquisition, start-up and expansion of business that create rural jobs.	Lenders with legal authority, sufficient experience, and financial strength.	Any area of 50,000 or less except cities adjacent to urbanized areas.	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
Intermediary Relending Program (IRP)	Provide financial assistance to intermediary organizations that then re-lend to rural businesses for community development.	Acquisition, construction, and renovation of rural small business; purchase or land development; equipment; feasibility studies; start-up costs; revolving lines of credit.	Public bodies, non-profits, federally recognized tribes, and cooperatives.	Rural areas and incorporated places with populations of less than 50,000.	Intermediary loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Business Development Grant Program (RBDG) *previously known as Rural Business Enterprise Grant and Rural Business Opportunity Grant Programs	Finance activities leading to the development or expansion of small and emerging businesses through lending, targeted technical assistance, or site development.	Enterprise Uses: Buy and develop land; establish revolving loan funds; construct buildings, plants, equipment, access streets and roads, parking, extend utilities; distance learning networks. Opportunity Uses: Training and technical assistance for business development, entrepreneurs, and economic development officials; assist in economic development planning.	Public bodies, non-profits, recognized tribes, and cooperatives with members that are primarily rural residents.	Any rural area with populations of 50,000 or less except cities adjacent to urbanized areas.	When grant funds are used for revolving loan fund (RLF), the applicant serves as intermediary to make loans to qualified businesses from its RLF on terms consistent with security offered. Must be completed within 2 years after project has begun.
Rural Economic Development Loan & Grant Programs (REDLG)	Finance economic development and job creation in rural areas through local utility organizations.	Feasibility studies, business startup or expansion costs, business incubators, revolving loan funds and community facilities.	Electric and telephone utilities eligible for financing from the Rural Utilities Service.	Any area of 50,000 or less except cities adjacent to urbanized areas.	Loans are 0% for 10 years. Grants require 20% match from the intermediary. Grant funds must be repaid to USDA upon termination of the revolving loan fund.
Rural Cooperative Development Grant Program (RCDG)	Establish and operate centers for cooperative development to improve economic condition in rural areas and improve operations of existing coops.	To conduct feasibility studies, business plans, and applied research, as well as provide training and other technical assistance to new and existing cooperatives and businesses.	Non-profit corporations and institutions of higher education.	Any area of 50,000 or less except cities adjacent to urbanized areas.	Applicants must meet specific selection criteria including a minimum 25% fund match. Grants are awarded on a competitive basis.
Value-Added Producer Grant Program (VAPG)	Assist independent agricultural producers to enter into activities that add value to their commodities.	Planning purposes like feasibility studies or business plans; or as working capital to help start the operations of a venture. Funds may not be used to build facilities or purchase equipment.	Independent producers, farmer and rancher cooperatives, and majority-controlled producer-based business ventures.	No population restriction.	Funds must be matched on a dollar-for-dollar basis and total 50% of total project costs.
Socially-Disadvantaged Groups Grant Program (SDGG)	Provide technical assistance to socially-disadvantaged groups through cooperatives and Cooperative Development Centers.	Technical assistance for market research and product/service improvement; legal assistance; feasibility study; business/marketing plans; and training.	Coops or associations with a primary focus on providing assistance to small, minority producers. Governing board and/or membership must be at least 75 % recognized minorities.	Any area of 50,000 or less except cities adjacent to urbanized areas.	Funds are to be used only for Technical Assistance. No match requirements.
Rural Microentrepreneur Assistance Program (RMAP)	Provide microloans for microenterprise startups and growth or technical assistance and training to entrepreneurs.	Working capital; debt refinancing; or to purchase equipment, supplies, or real estate.	Nonprofits; federally-recognized Tribes; and institutions of higher education.	Any area with a population of less than 50,000 except urbanized areas.	Maximum term is 20 years with a 2-year payment deferral. Must establish a loan loss reserve fund.
Rural Energy for America Program (REAP) Energy Efficiency & Renewable Energy Loans & Grants	Finance the purchase of renewable energy systems or to make energy- efficiency improvements.	Construction, improvements, purchase/install.	Small businesses & agricultural producers.	Any area of 50,000 or less except cities adjacent to urbanized areas.	Loan rates and terms negotiated with the lender and subject to USDA approval. Grant may not exceed 25% and loans may not exceed 75% of eligible project costs.

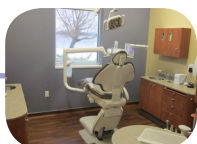
Rural Business & Cooperative Programs (cont'd)



Rural Energy for America Program (REAP) Energy Audit & Renewable Energy Development Assistance Grants	Grantees assist rural small businesses and agricultural producers by conducting and promoting energy audits and providing renewable energy development assistance (REDA).	Energy audits; renewable energy technical assistance; renewable energy site assessments. Eligible project costs: salaries & travel expenses directly related to the project; office supplies; and administrative expenses.	State & local governments; federally-recognized Tribes; land grant institutions; rural electric cooperatives; public power entities; an instrumentality of state, Tribal, or local government; Resource Conservation & Development Council.	No population restriction.	Applicants must submit separate applications, limited to one energy audit and one REDA per fiscal year. The maximum aggregate amount of an energy audit and REDA grant in a Federal fiscal year (Oct. 1 – Sept. 30) is \$100,000.
Advanced Biofuel Payment Program*	To support and ensure an expanding production of advanced biofuels by paying advanced biofuel producers for finished products.	Eligible advanced biofuels: must meet the definition of an advanced biofuel in 7 CFR Part 4288.102 ; are a liquid, gas, or solid; must be a final product; produced in the U.S.; one where buyers and sellers act independently of one another.	An entity that produces and sells advanced biofuel.	No population restriction.	Producers are paid quarterly based on actual quantity of eligible advanced biofuel production. Production is converted into British Thermal Unit (BTU) equivalent. Payment amount is subject to number of eligible producers, amount of advanced biofuel produced; and amount of funds available. No minimum or maximum payment amount.
Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program	Finance the development, construction, and retrofitting of new and emerging technologies.	Biorefineries and Biobased Manufacturing Facilities.	Lenders with legal authority, sufficient experience and expertise, and can demonstrate they meet the FDIC definition of "Well Capitalized" at the time of application and issuance of the Loan Note Guarantee.	No population restriction.	Rates and terms are negotiated between the Lender and the Borrower.

* <http://go.usa.gov/3Ct2Y>





Community Programs & Utility Services

Program	Objective	Applicant	Uses	Eligible Area	Terms/Conditions
Water and Waste Disposal Loan & Grant Programs	Finance water and waste disposal in rural areas to the most financially in need, resulting in reasonable user fees.	Public entities, recognized Tribes, and private non-profits.	Build, repair, and improve public water systems, waste collection and treatment systems and other related costs.	Rural areas, cities and towns with a population up to 10,000.	Interest rates set quarterly based on an index of current market yields for municipal obligations. Repayment period up to 40 years.
Water and Waste Disposal Loan Guarantee Program	Assist private lenders in providing affordable financing to qualified borrowers to improve access to clean, reliable water and waste disposal systems for households and businesses in rural areas.	USDA Approved Lenders on behalf of Public entities, recognized tribes, and non-profits.	Construct, repair, modify, expand, and improve water supply and distribution systems; and waste collection and treatment systems.	Rural areas, cities and towns with a population up to 10,000.	Private lenders obtain up to a 90 % guarantee on loans they make and service.
Solid Waste Management Programs grants	Provide technical assistance and training to help communities reduce/eliminate water pollution, and improve planning and management of solid waste sites.	Non-profit organizations and public bodies.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities.	Rural areas, cities and towns with a population up to 10,000.	Projects are funded based on selection at the National level. Applications are accepted from 10/1 to 12/31 of each year.
Rural Broadband Program loans & loan-guarantees	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities.	Construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used to provide such service; and refinancing of Telecomm program debt.	Eligible rural communities with a population of 20,000 or less.	Interest rate set at US Treasury rate for a period equal to expected composite economic life of assets financed. Guaranteed may be provided up to 80% of principal.
Distance Learning and Telemedicine Program loans & grants	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Incorporated entities including municipalities that operate rural schools/education facilities, libraries, or health care facilities. May be for-profit or non-profit.	Equipment for classrooms: cameras, video monitors, computers, and LAN. Also for physician consultation, radiology, ex-ray scanners, and digital microscopes.	Rural areas with populations of 20,000 or less.	Matching funds required.
Electric and Telecommunications Program loans & loan-guarantees	Provide financial aid through direct loans and loan guarantees for electric and telecommunications services.	For profit entities, non-profit and cooperative associations, public bodies, and other utilities.	Generation, bulk transmission facilities, and power distribution. Enhance 911 service, digital switching, fiber optics, traditional telecomm and broadband.	Electric - U.S. Census designated rural areas. Telecommunication Rural areas with a pop. of 5,000 or less.	Interest rates are set in accordance with 7 CFR 1745.
Technical Assistance and Training Program grants	Identify/evaluate solutions to water and waste disposal issues. Assist applicants with applications for USDA water/wastewater programs. Improve operation and maintenance of existing water and waste disposal systems	Non-profit organizations.	Provide technical assistance to qualified water and waste disposal utilities serving rural areas.	Rural areas, cities and towns with a population up to 10,000.	Applications are accepted from October 1 to December 31 of each year.
Rural Community Development Initiative (RCDI) Grants	Assists organizations that provide technical assistance to other organizations to improve their ability to undertake housing, and community or economic development projects in rural areas.	Public or private organizations, including recognized tribes, which have been organized at least 3 years and have experience working with eligible recipients.	Recipient provides technical assistance to organizations serving rural qualified areas.	Rural area, city and towns with population not exceeding 50,000 including urbanized areas.	Matching funds required.
Community Facilities Program loans, loan-guarantees & grants	Provide essential community facilities for rural communities. Faith-based and community orgs, and First Responders are encouraged to apply.	Public bodies, non-profit organizations, and recognized tribes. USDA Approved Lenders may apply for loan-guarantees on behalf of the above entities.	Build facilities and purchase equipment for fire and rescue, early warning systems, police stations, health clinics, schools, libraries, hospitals, etc.	Rural areas, cities, and towns with populations of 20,000 or less.	Up to 100 % of market value. Up to 40 years or life of security. Grant funds are limited.

April 2016

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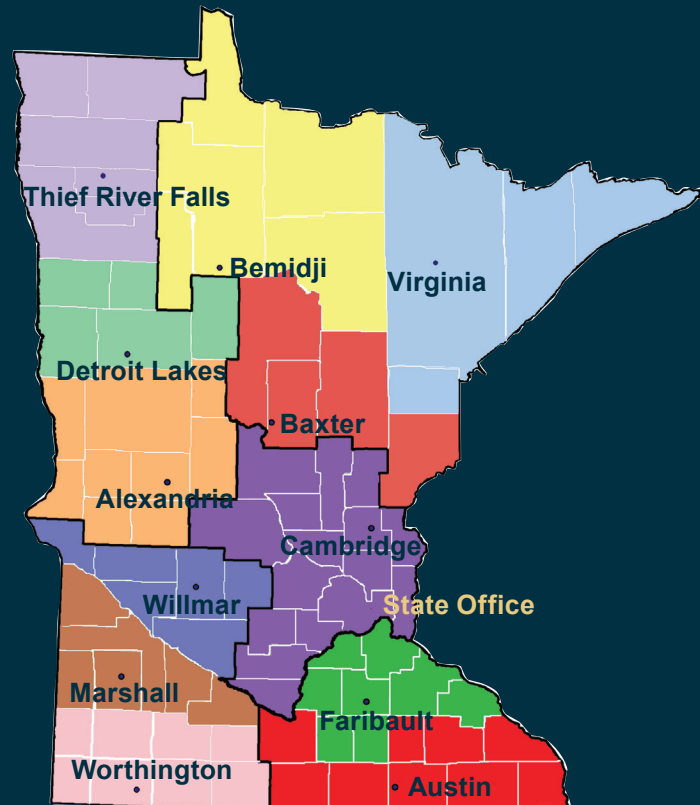
- (1) mail: U.S. Department of Agriculture,
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